

# **Contribution of the Dutch social partners to the 2005-2008 National Reform Programme in the context of the Lisbon strategy**

## **update 2005/2006**

### *Preface*

The EU member states annually prepare a National Reform Programme (NRP) and National Strategy Report (NSR). In the NRP, member states report on the progress they have made in the area of employment in terms of the Lisbon targets. In drawing up the NRP and NSR, the Dutch government allows the social partners an opportunity to respond to the draft versions of the programme. The programme content, however, remains the sole responsibility of the government.

The social partners contribute to achieving the Lisbon targets in two ways. They do so by coordinating their policies on collective agreements and issuing recommendations on the Lisbon targets to their rank-and-file members. And they advise the Dutch Cabinet on key social and economic policy areas through the Dutch Labour Foundation (*Stichting van de Arbeid*) and Social and Economic Council (*Sociaal-Economische Raad*).

This paper provides details of the progress made by the social partners since their previous paper and is a supplement to the Labour Foundation's earlier policy document.<sup>1</sup>

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<sup>1</sup> Contribution of the Dutch social partners to the 2005-2008 National Reform Programme in the context of the Lisbon strategy, September 2005.

## ***1 Collective agreements and pay rises***

Under the Autumn Agreement of 2004, the social partners agreed to exercise restraint with regard to contractual pay rises in 2005. The actual average contractual pay rise came to 0.7% in 2005. No nationwide agreement was made for 2006. To date, the average contractual pay rise for 2006 stands at 1.7% on an annual basis.<sup>2</sup>

## ***2 Implementation by social partners of agreements made at the Work Summit***

### ***2.1 Introduction***

In the autumn of 2005, the employment prospects for low-skilled workers were far from favourable. Younger workers from this target group, in particular, were having trouble finding work. At the same time, as economic growth picked up, a shortage of high-skilled labour threatened to occur. The Cabinet and social partners pledged to prevent both developments from materialising. The situation called for a rapid plan of action, and during the Autumn Consultations of 2005, it was decided to hold a Work Summit that same year.

At the Work Summit on 1 December 2005, the Cabinet and social partners made specific agreements to promote employment and economic growth under the headings: *Invest in Human Capital, Increase Labour Participation, Entrepreneurship and Labour Migration*.

### ***2.2 Promoting investment in human capital***

With a view to achieving the objective of *promoting investment in human capital*, the social partners made their contribution by drawing attention at sectoral level to the problems surrounding work experience programmes. For the same reason, that is to say, to prevent unemployment among low-skilled younger workers, the Labour Foundation called upon all parties involved to ensure that young employees at least acquire a basic qualification. In its effort to combat unemployment, the Labour Foundation is also targeting the employed. Over the last few years, the social partners have continually encouraged their rank-and-file members to allow employees to take part in Recognition of Acquired Competences projects in order to convert their skills and experience into officially recognised diplomas. To provide rank-and-file members with the tools necessary to put in place a well thought-out employability and training policy, the Labour Foundation has updated “the 2001 employability/training recommendations for companies and parties involved in collective agreements”.

In 2006, with a view to promoting the social and employment position of ethnic minorities on the shop floor, the Labour Foundation once again issued a number of recommendations. These cover the introduction of a multicultural staffing policy, the role of workers’ participation bodies, and social cohesion on the shop floor. The Labour Foundation has asked those involved in negotiating collective agreements to create the conditions needed for individual employers to implement these recommendations.

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<sup>2</sup> Since the Autumn Agreement of 2004, 109 collective agreements have been made, 85 of which – covering 4.3 million employees – extend to 2006.

### *2.3 Desired increase in labour participation*

Similarly, the Labour Foundation has worked out in greater detail the objective of *increasing labour participation*. More specifically, the Foundation has issued a recommendation urging those involved in negotiating collective agreements to include in those agreements quantified targets for on-the-job training projects and places in work experience programmes. They have also been reminded of their responsibility to put in place a participation-enhancing and cohesive age-awareness staffing policy at individual company level.

The newly-introduced incapacity legislation should lead to an increase in the number of partially incapacitated workers keeping a job. The Labour Foundation has recommended that employment contracts of partially incapacitated workers whose work ability percentage is increased after reassessment should be continued, with their duties adjusted if necessary. In order to get the 'reassessed' who are out of a job back to work, the Labour Foundation has recommended introducing what it calls trial placements.

However, without factual expertise, no policy will be effective. Accordingly, the Labour Foundation in July 2006 commissioned the monitoring of the employment situation and reintegration of the 'group aged under 35.'

### *2.4 Encouragement of entrepreneurship and labour migration*

One of the Labour Foundation's recommendations to encourage entrepreneurship is to use R&D funds to help employees wishing to train as entrepreneurs.

In order to properly regulate the influx of temporary workers from the new EU member states, the Labour Foundation has issued a recommendation concerning the terms of employment applicable to cross-border workers. The Foundation considers it important that the industries concerned should pursue a proper employment policy aimed at tapping the labour potential available and removing employment bottlenecks. In its recommendation, the Foundation stresses the importance of ensuring that the provisions of collective agreements are also consistently applied to temporary workers from the new member states. This will require effective enforcement.

In the wake of this recommendation, the social partners and the Dutch Ministry of Social Affairs and Employment met to discuss how to inform employers and employees from these countries about the employment terms applicable to them in as simple and efficient a manner as possible.

## ***3 Occupational pensions***

### *3.1 Introduction*

Against the background of an ageing population in Europe, the issue of occupational pensions forms a not inconsiderable part of social and economic policy. The level of pensions and the way in which pensions are organised have an impact on both sustainable economic growth and social cohesion.

On the issue of pensions, the EU has opted for an 'open coordination method', under which national governments are required to draw up and periodically update a National Pension Action Plan (NPAP), which is part of the NSR from this year on.

The government has primary responsibility for state pensions and for pension laws which ensure long-term compliance with contractual pension commitments. The social partners have primary responsibility for occupational pensions to supplement the state pension (second-tier

pensions). The key objective for the social partners is to ensure proper and affordable pensions for all employees, particularly in the light of an increasingly older population.

### *3.2 Influencing of new early retirement legislation (VPL) and implications for decentralised pension consultations*

As previously stated, in 2004 a major conflict arose between the government and trade unions over, among other things, the Cabinet's proposed changes to early retirement and pre-pension schemes. The conflict effectively came to an end with the Autumn Consultations held between Labour Foundation and Cabinet representatives.

As regards the proposed legislation on early-retirement, pre-pension and life-course savings schemes, the agreement led to the introduction of adjusted legislation in early 2005. More specifically, the government introduced a statutory life-course savings scheme allowing employees to save a portion of their gross wages for unpaid leave. They can use this 'piggy bank of free time' to take unpaid leave in the course of their contract, subject to the employer's approval, or immediately prior to retirement date. They may annually save a maximum of 12% of their gross annual wages to achieve a maximum savings balance of 210%. After making a withdrawal, they may top up their account once again up to this maximum.

At the same time, employees aged under 55 on 1 January 2005 were deprived of the possibility of taking part in retirement or pre-pension schemes, i.e. bridging schemes with a start date prior to age 65. Existing pre-pension entitlements have remained intact. However, on the assumption that employees are allowed under the applicable tax legislation to build up an old-age pension (starting at age 65) equal to a maximum of 100% of their salary, the agreement negotiated does offer employees the possibility of having their old-age pension start at an earlier date and at a satisfactory level. If they choose to put forward these 65-plus entitlements, they may add any unused potential for favourable tax treatment over past years of service.

Accordingly, for the majority of employees aged under 55 on 1 January 2005, the outcome of the negotiations and ensuing legislation means that they will continue to be able to retire a few years before they reach 65. Employees aged 55 or over on 1 January 2005 will continue to benefit from the tax-friendly early retirement and pre-pension schemes previously in place (transitional measure).

In 2005, the social partners held intensive consultations with the Ministry of Social Affairs and Employment and the Ministry of Finance to ensure that the negotiated agreements were properly embedded in secondary legislation. Next, it was the turn of the parties involved in decentralised pension consultations to make arrangements based on the new legislation. Several industries and companies put in place new schemes prior to 1 February; all of these are 'VPL proof'. In a substantial number of other cases, the 1 February 2006 deadline could not be reached. In 2006, however, these cases will be subject to a fairly moderate tax regime.

### *3.3 Principles of Pension Fund Governance*

In December 2005, the Labour Foundation presented the Minister of Social Affairs and Employment with a report entitled *Principles of Pension Fund Governance*. Application of these principles will lead to a proper and transparent distribution of responsibilities among all parties involved in administering pension schemes.

The Foundation asked the Minister to embed the principles in statute law so as to compel all pension funds to adhere to the principles and authorise the Dutch Central Bank to enforce compliance.

The principles were drafted in close consultation between the Labour Foundation, Dutch Association of Industry-wide Pension Funds, Dutch Association of Company Pension Funds, Association of Dutch Insurers, and Coordinating Body for Senior Citizens Associations.

### *3.4 Pension portability*

In 2003, the Labour Foundation, in consultation with the umbrella organisations of pension administrators and insurers, evaluated the legislation under which employees are entitled to transfer the value of their pension entitlements when changing jobs. The majority of proposed technical amendments have since been adopted by the Minister of Social Affairs and Employment and laid down in secondary legislation. The statutory right of pension portability in case of a change of jobs will also be embedded in the new Pension Act, which is expected to be phased in from 1 January 2007.

## ***4 Contribution of social partners to implementing Lisbon strategy in the Netherlands through advisory reports issued by the Social and Economic Council***

### *4.1 Introduction*

Since the summer of 2005, the Dutch Social and Economic Council has undertaken various different actions to reflect its general involvement with the Dutch government's Lisbon strategy. At first glance, it would seem that not all elements have been given the same level of consideration. This has to do with the fact that the Council's work programme is highly dependent on the Cabinet's policy cycle. This Cabinet has introduced major reforms (unemployment benefit, incapacity benefit, healthcare, early retirement/pre-pension), often in line with advisory reports issued by the Social and Economic Council. The areas covered by these reports were obviously no longer a subject of debate for the Council in the past year.

In January 2006, exploratory consultations were held with the Dutch Junior Minister of European Affairs, Mr Nicolai. With effect from 2006, the Social and Economic Council will be responsible for reviewing proposals set out in Green Papers issued by the European Commission, and identifying which of these proposals require more detailed advice. The Dutch Cabinet has promised to involve the Council more closely in advising on EU matters.

The Council has now completed a draft version of the first half of its Medium-Term Advisory Report, and expects to adopt it at its meeting in October 2006. The key message of the draft is that the next Cabinet must put in a serious effort to create an enabling society allowing everyone to participate to the best of their ability. What will be required is a substantial investment in human capital and ample possibilities for entrepreneurship to enable people to seize economic opportunities and improve social cohesion. For their part, the Council partners are willing to commit themselves to concrete participation goals for 2016 which are substantially higher than the corresponding Lisbon targets for 2010. The Council takes the view that an ambitious participation policy of this kind will be key to ensuring income protection for vulnerable groups and absorbing the costs associated with an ageing population. The Council expects to issue the second half of its Medium-Term Advisory Report in late 2006. Part two will look in greater detail at education and training, dismissal law, and unemployment benefit.

#### *4.2 Strengthening the knowledge economy*

*Advisory Report on promoting eco-efficient innovation (The environment as an opportunity, October 2005)*

To promote eco-efficient innovation ties in with the Social and Economic Council's philosophy that innovation policy should focus both on enhancing sustainable economic growth and addressing social issues. In addition to behavioural change, technology is also a key route on the way to a more sustainable economy. Eco-efficient innovation will require a favourable innovation environment and proper knowledge and innovation policies. Because eco-efficient innovation often involves long-term decisions, it is essential for risk-taking investors that government policy in this area should be clear, cohesive and consistent. The Social and Economic Council is in favour of a well-balanced green tax policy at EU level, and cutting back on environmentally harmful subsidies.

#### *Draft Medium Term Advice*

The last few years have seen the implementation of a great number of policies aimed at improving the knowledge and innovation system. To tackle the knowledge paradox, supply and demand are being brought better into line (knowledge circulation). The Council is of the opinion that the next Cabinet should continue to strongly encourage the circulation of knowledge. As the knowledge and innovation system becomes more responsive, the Council believes there are good reasons for both the public and private sectors to step up investments in education, research, and innovation. The Council expects that an increase in public spending in these areas will act as an accelerator for private sector investments. Government policy will have to create the conditions necessary to encourage businesses and institutions to channel more funds into R&D.

The Social and Economic Council supports the ambitions of Prime Minister Balkenende's second and third Cabinet that, by 2010, the Netherlands should rank among the top five EU member states in terms of private R&D investment.

In order to become a leading knowledge economy, the Council believes high-quality higher education and advanced research are absolute requirements. Higher education and research are increasingly catering to an international market. As far as higher education is concerned, this holds true, in particular, for university Master's courses. Against this background, an active and differentiated approach will be needed to achieve excellence, encourage education and research to become more demand-driven, and increase cooperation.

Clearly, a knowledge society cannot be supported by highly-qualified knowledge workers alone. Skilled workers with lower or medium-level qualifications are essential as well. Accordingly, investments in education should be geared to preventing students from dropping out, encouraging them to move on from lower secondary (VMBO) to secondary vocational education (MBO), improving the quality of those who do leave school with a diploma, and enhancing the training possibilities for employees. The Council believes increased public spending across the entire spectrum of initial education to be justified, starting with pre-school education.

The Council would note, however, that investments in knowledge and innovation will be successful only if effectively utilised by businesses and institutions. Accordingly, the Council sets great store by encouraging social innovation. Social innovation involves 'reshaping the work organisation and making maximum use of skills in order to improve a company's performance and allow talents to flourish'. If successful, social innovation leads to increased

productivity, better use of people's talents, higher quality of work, and more satisfied employees.

#### *4.3 Anticipating an ageing population*

##### *Advisory Report on removing obstacles to working after age 65 (March 2006)*

It should be possible for employees to continue working after reaching the state pension age if they and their employer so wish. There are no statutory obstacles to that. The Social and Economic Council is ultimately against introducing a flexible state pension age.

##### *Draft Medium Term Advice*

The draft report advocates a mix of measures to absorb the costs associated with an ageing demographic and distribute the costs evenly between the young and old. Moreover, a mix of measures is more likely to be successful and allows risks to be spread.

The Council recommends absorbing the costs of an ageing population through an ambitious policy of participation. (The Council would call upon the next Cabinet to support this approach and grant the Council an opportunity to issue an opinion on how to put such a policy in place.)

Because an increase in labour productivity is unlikely to be sufficient, the costs directly associated with the ageing demographic will also have to be made controllable. More specifically, the state pension will gradually have to be funded from tax revenue to a greater extent. In doing so, the government must proceed carefully. People on a state pension with little or no additional pension should be exempted. A second concrete saving, which will also benefit labour participation, will be to individualise the general tax credit.

The third aim of the mix of measures is to improve the EMU balance further. Striving for a sustainable EMU surplus of 0.5 per cent of GDP in 2011 would contribute to absorbing the costs of the ageing population. This could become an increasingly important course of action in future.

Moreover, the Council would advise against increasing the state pension age during the next Cabinet's term of office. If the state pension is gradually financed out of tax revenue, this will already be sufficient to absorb a substantial part of the costs associated with an ageing population. Moreover, due to a variety of measures, older employees will continue working for a longer period. The Council would, however, recommend that the next Cabinet develop a balanced policy to address the challenges arising from the ageing demographic in the areas of healthcare, welfare, and income.

#### *4.4 Operation of the labour market/enabling social security*

##### *Advisory Report on staff shortages in the public sector (May 2006)*

The Social and Economic Council shares the Cabinet's concern about anticipated staff shortages in the public sector. Education and healthcare, in particular, are facing considerable challenges. An increase in the demand for public sector staff may place a burden on the labour market as a whole, and create upward pay pressures.

The Council believes policies are required to prevent bottlenecks from occurring: general policies to increase labour participation and enhance the level of education, and special measures targeting the healthcare and welfare sectors.

*Advisory report on exempting occasional labour from paying employee social insurance contributions (May 2006)*

Employees who occasionally perform work should be exempt from paying employee social insurance contributions under the Unemployment Benefit Act (WW), Income and Employment Act (WIA), and Sickness Benefit Act (ZW). The exemption should govern employment contracts with a term shorter than 30 days. At present, employers must pay social insurance contributions for occasional workers and meet various administrative obligations. In practice, however, these workers are usually not entitled to receive benefit. It should be made possible to work for different employers under a maximum of three uninsured contracts within a period of 12 months.

*Advisory report on curbing cyclical unemployment (July 2005)*

The Social and Economic Council supports the Minister of Social Affairs and Employment's plan to tackle cyclical unemployment and reduce the number of unemployment benefit claimants.

The Minister wants employers in five industries (cultural institutions, builders, painters, agricultural businesses, and the hotel and catering industry) to pay a premium to help cover the period in which unemployment benefit is paid. The amount of the premium will depend on the term of the employment contract. Contracts with a term of one year or more are to carry a lower premium, and those with a shorter term a higher premium. Although the Council supports the plan, it would add that the industries concerned should explicitly be involved in establishing the amount of the premium. Moreover, it would recommend introducing an occasional labour scheme for the five industries mentioned to prevent holiday workers and on-the-job trainees from being subject to the high rate.

*Draft Medium Term Advice*

Institutions engaged in the areas of social security and employment should enhance economic dynamics as well as allowing space for a larger variety of individual preferences in terms of deciding how to combine work and home life. In this light, the system of work, training and income should allow for life-course variations and transitions between work, care, and training (transitional labour market). A powerful tool to encourage employees to move on to other jobs and increase mobility on the labour market is to invest in human capital during a worker's economically active life. A transitional labour market will contribute to an individual's freedom of choice.

The Social and Economic Council would recommend modernising the system of work, training and income based on a two-pillar strategy: a participation pillar and an income protection pillar. The income protection pillar will focus on providing income security and largely be embedded in social security legislation. The participation pillar will build on existing facilities aimed at creating, consistently maintaining, and making maximum use of human capital. This strategy should allow all residents an opportunity fully to take part in society.

The Council would recommend building a comprehensive, balanced and dynamic participation pillar offering a variety of facilities over the next few years. Existing training and permanent education facilities should be strengthened.

*4.5 Competition/regulation*

*Advisory report on Bill to revise non-compete clauses (March 2006)*

Non-compete clauses restrict the freedom of employees to perform certain work after termination of their employment contract. Accordingly, non-compete clauses affect the

balance between flexibility and mobility, on the one hand, and stability and legal certainty, on the other. The Council considers the proposed legislation to amend non-compete clauses to be unclear on a number of points. This may threaten legal certainty for both employers and employees. It is the very purpose of the Bill to enhance legal certainty and the quality of legislation.

#### *Draft Medium Term Advice*

Unnecessary obstacles to entrepreneurship should be removed. More specifically, the administrative burden on businesses should be substantially alleviated and compliance and governance expenses considerably reduced.

The Council would recommend adopting an approach which is based on trust rather than mistrust, as is the case now. Accordingly, rather than introducing legislation for all conceivable forms of abuse, the government should draw up broad frameworks within which businesses are expected to operate. If businesses betray the trust put in them, the government should show no mercy and impose severe sanctions.

In addition, the Council would recommend exploring whether there are any specific situations in which it would be useful to reverse the chain of regulation in cases where licences or permits are granted and, if so, on what specific conditions this should be allowed. In such cases, licences or permits would be granted if the application meets with no response within a stated time period. Government enforcement would become repressive instead of preventative, and violations would be severely punished.

The Council considers it important that employment terms be agreed at decentralised level, and to allow differentiated pay systems. The Council regards decentralisation and pay differentiation as essential conditions for a robust economy.

#### *4.6 Sustainability and the environment*

##### *Advisory report on co-financing the Common Agricultural Policy (June 2006)*

Payments to farmers should be tied more clearly to performances which appeal to the public, such as conserving the countryside. This is necessary to secure broad-based support for the Common Agricultural Policy in the longer term. Accordingly, it would be useful to have the income supplements paid to farmers financed jointly by the EU and the member states (co-financing), rather than by the EU alone, as is the case now.

The valuation of nature and landscape features is primarily a domestic or regional affair. Co-financing would provide more leeway to make appropriate considerations in that regard.

The Council is of the opinion that the merits of co-financing should be taken into consideration in the period until 2013. If co-financing is introduced in this period, it should be mandatory for all member states.

##### *Advisory report on opportunities for rural areas (October 2005)*

Rural areas currently serve a number of different functions. They are no longer solely agricultural: industry, trade, transport, leisure and other service industries have become increasingly important. In addition to providing jobs, rural areas offer people living space, and the peace, quiet and space to relax. They also serve as a reservoir of water, nature and biodiversity.

Accordingly, rural areas also play an important role for town-dwellers and the Dutch economy as a whole. Although each of these functions is important, they are not always cost-effective. Moreover, space is a scarce commodity in the Netherlands. Combining functions may generate opportunities.

There may be problems at local level, such as job or housing shortages, cluttering of the countryside, or the gradual loss of facilities in small villages. Innovative entrepreneurship and

committed citizenship have proved to be key to resolving these problems in many areas. Local governments can contribute by actively supporting citizens and entrepreneurs and allowing them an opportunity to develop initiatives.

*Draft Medium Term Advice*

Against the background of sustainable development, environmental and energy issues are increasingly drawing attention. Worldwide there is a growing need for innovations which generate environmental benefits as well as creating economic opportunities. The Council supports the policy to introduce measures at national and EU level to strongly boost eco-efficient innovation.

In terms of promoting innovative systems in the field of sustainable energy, the government must act as key initiator and coordinator. A long-term policy of this kind calls for institutional changes to be made within the energy industry, substantial funding by the government and private sector, and the active involvement of various actors in society. The energy transition policy will provide ample opportunities for economic growth and employment.

## Schedule 1

### Social partners and implementation of the Work Summit agreements

*To promote investment in human capital:*

1. the social partners have instructed their representatives at trade and industry level, at their Vocational Education Knowledge Centres (KBBs), to develop macro efficiency analyses to allow determining how many places in vocational practice projects (BVPs) are or will be needed in the various sectors;
2. the Labour Foundation has reminded collective agreement negotiators of the importance that enough apprenticeships/places in vocational practice projects should be made available;
3. the Labour Foundation has advised member organisations and companies to recognise competences previously acquired, either in the collective agreement or otherwise;
4. the Labour Foundation has updated ‘the 2001 employability/training recommendations for companies and parties involved in collective agreements’;
5. the Labour Foundation has advised collective agreement negotiators to make provision for young employees with no basic qualification to acquire one;<sup>3</sup>
6. the Labour Foundation has drawn up recommendations for companies and collective agreement negotiators on the introduction of a minorities policy and prevention of discrimination (recruitment & selection, equal treatment, diversity policy, role of workers’ participation bodies).<sup>4</sup>

*To achieve the desired increase in the labour participation rate:*

7. the Labour Foundation has advised collective agreement negotiators to make provision for (and quantify) on-the-job training projects and places in work experience programmes;<sup>5</sup>
8. the Labour Foundation has reminded employers and employees of their responsibility for pursuing a participation-enhancing policy for elderly employees and coherent age-aware staffing policy at company level;
9. the Labour Foundation has issued a recommendation on the labour participation rate among the elderly;<sup>6</sup>
10. the Labour Foundation has recommended that the employment contracts of partially incapacitated employees whose work ability percentage is increased after reassessment should be continued, and that, where necessary, they be assigned adjusted duties in order to reintegrate;
11. the employer and employee organisations represented by the Labour Foundation have recommended that companies should introduce trial placements for reassessed people who are

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<sup>3</sup> The second to fifth agreements have been worked out in greater detail in an updated training/employability memorandum dated 13 March 2006: ‘Towards sustainable and broad-based employability’.

At the Work Summit, the Cabinet promised to earmark 40 million euros for employee training and the provision of apprenticeships. In the absence of a consensus within the Labour Foundation on how to allocate these funds, the Cabinet in May 2006 unilaterally decided on their allocation.

<sup>4</sup> This recommendation was adopted in the memorandum ‘Working together in the workplace’, dated 20 January 2006. The prevention of discrimination is also addressed in the updated ‘Statement on equal treatment on the labour market’, dated 20 January 2006.

<sup>5</sup> This recommendation was adopted in the updated ‘Recommendation on combating unemployment among young employees’, dated 20 January 2006.

<sup>6</sup> The eighth and ninth recommendations were adopted in the memorandum ‘Age & Employment’: recommendations to promote the labour participation rate among older employees’, dated 20 January 2006. On 1 March 2006, the Labour Foundation and the Elderly Employees Steering Group met to discuss whether there were any issues left which would have to be placed on the agenda to increase the labour participation rate among the elderly. It was observed that an effort had to be made to implement/put in place recommendations policy actions previously advocated.

out of work. A trial placement – 3 months’ work on incapacity benefit – will allow employers and employees to explore opportunities and skills;<sup>7</sup>

12. the Labour Foundation will monitor the reintegration of the ‘group aged under 35’ in the 2<sup>nd</sup> half of 2006.

*To support entrepreneurship and labour migration*

13. the social partners are exploring ways of using R&D funds – in the various industries – to support employees wishing to train as entrepreneurs;<sup>8</sup>

14. the Foundation has adopted a recommendation for its rank-and-file members on the application of employment terms in case of cross-border employment.<sup>9</sup>

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<sup>7</sup> The tenth and eleventh agreements were included in the ‘Statement on reintegration in case of partial incapacity for work’, dated December 2005

<sup>8</sup> This agreement was adopted in the updated training/employability memorandum, dated 13 March 2006.

<sup>9</sup> Recommendation on the application of employment terms in case of cross-border employment, 14 June 2006.